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GENERAL

1. Israeli-Jordan relations strained--US Legation Amman expresses the opinion that the recent Israeli atrocities at Shorafat, coupled with their continued occupation of Jisr Majami and their obstructive tactics over the Wadi Araba dispute, will serve greatly to strengthen the forces in Jordan against any settlement with Israel and have already alienated the Jordanian Prime Minister from any conciliatory policy he may have adopted. Prime Minister Samir spoke of these incidents in "the bitterest terms" and told the Legation he is now convinced the Israelis do not seriously desire a peace settlement but seek to keep relations strained. The Legation comments that the Israelis missed a "golden opportunity" to obtain a peace settlement with Jordan by continuing what the Jordanian public considers provocative and aggressive action in the construction and use of the road diversion in Wadi Araba and the occupation of Jisr Majami.

EUROPE

2. CZECHOSLOVAKIA: Reported Communist purges -- US Embassy Prague, although unable to verify the numerous rumors concerning the disappearance and arrest of high government and Communist officials, expresses the view that such "rumor waves" are usually based on some significant development or tension within the government. The Embassy suggests as one plausible basis for some of the rumors the split in the Czechoslovak ruling hierarchy between the old-line Communists, headed by Premier Zapotocky and President Gottwald, and the Stalinist group, headed by Slansky and

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others whose power is concentrated chiefly in the Party. The old-line Communists, who are believed to have retained strong nationalist sentiment, have probably advocated a gradual approach to the development of a Socialist state, while the Stalinist group has been pushing for violent methods as well as collaboration with East Germany to an extent distasteful to the more nationalistic elements. In addition to the strain caused by the struggle for power between these two groups, the Embassy believes that tension between them may have been increased by Soviet pressure for more drastic measures to assure Czechoslovak compliance with increasing Soviet economic demands.

FAR EAST

3. INDOCHINA: Analysis of military situation—US Legation Saigon transmits an analysis (concurred in by the US service attaches) of Viet Minh-Chinese Communist military capabilities and intentions. The recent French military victories, although heartening, have in no way altered Communist intentions to gain control of Southeast Asia and should be viewed with reserve in view of: (a) severe French losses not presently replaceable; (b) the experience gained by Viet Minh forces in maneuvering larger forces; and (c) retention by the Viet Minh of the initiative in determining the objective, direction, and force of subsequent attacks.

The Legation notes as a "significant peculiarity" that Chinese Communist logistical support had virtually ceased during the month preceding the large-scale Viet Minh offensive in mid-January. The Legation believes that the most reasonable explanations for this development all point to eventual and "fairly proximate" Chinese Communist invasion. For example, the Viet Minh may have wanted to



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achieve as much of much of their goal as possible before calling for Chinese assistance; or, on the other hand, the Chinese may be forcing the Viet Minh to request intervention on Chinese terms by forcefully demonstrating Viet Minh reliance on Chinese logistical support.

As further support for the view of eventual Chinese intervention, the Legation cites: (a) the recent renewal of Chinese Communist logistical support; (b) the possibility that Chinese failure to achieve quick victories in Korea and Taiwan may create pressures which can only find their outlet in Southeast Asia; and (c) the strong temptation posed by the comparative defenselessness of Southeast Asia and the desire to move before the security of the area is strengthened. The Legation thus concludes there is nothing in recent French successes or in the general situation to have deterred Chinese intervention and a number of factors which may bring it closer.

4. CHINA: Estimate of current situation -- US Consul General Hong Kong transmits an analysis of the Chinese situation by a member of the Consulate staff

The staff member concludes that the Chinese Communists, as junior partners of the USSR, are fully committed to the "liberation" of Asia and, in carrying out this program, are prepared if necessary to risk war with the US which they are convinced is their "implacable enemy." Since the outbreak of the Korean war, Chinese Communist political control over the country has become stronger and the economic system, although suffering numerous defects, is workable and effective. These strong points are somewhat offset by widespread popular dissatisfaction and basic economic

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weakness arising from the strain of the Korean war and the increasing shortage of essential industrial materials. The staff member believes that military action in Korea and economic sanctions are not likely in themselves to compel the Chinese to refrain from further ventures in Southeast Asia. He feels that the means must be found to exploit Chinese Communist internal weaknesses and suggests not only assistance to the Chinese Nationalists on Taiwan but clandestine support of all anti-Communist Chinese in order to create a "united front" which would have more appeal than a resistance effort under sole control of the Kuomintang. Such a program would have the minimum aim of slowing the Communist advance in Southeast Asia, thus gaining time for Western rearmament while avoiding measures which would result in all-out war with China.